

Update on Virginia's Special Education Regional Tuition Reimbursement Program (RTRP):

Presentation to Commission on Youth

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BACKGROUND

Background

- Virginia's Special Education Regional Reimbursement Programs
 - Authorized by Virginia's General Assembly in 1977
 - P.L. 94-142 (Federal Special Education Law)
- **Original Purpose:** to provide a mechanism for school divisions to cooperate and share resources to serve children with low incidence disabilities where there is not enough children in one division to create a classroom or program.

Requirements 1 of 3

- The LEAs were authorized to form regional programs by meeting the requirements for operating a joint program consistent with:
 - *Board of Education Regulations Governing Jointly Owned and Operated Schools and Jointly Operated Programs* and related *Code of Virginia* provisions.
 - Required that each program be governed by a joint board constituted of a school board member from each participating LEA.
 - Required to have a director.
 - Further, one LEA was to serve as the fiscal agent for the program.

Requirements 2 of 3

- The funding for each Regional Tuition Reimbursement Program (RTRP) was established based on an annual application to the Virginia Department of Education (VDOE) termed a rate package. (Source of Funding: State Lottery)
 - Rate package established fees for special education and related services.
 - Each rate package was to include:
 - A proposed budget based on projected revenues and expenses, and a description of the program(s) being offered including the disabilities served. Composite Index is applied during the reimbursement process.
 - The rate packages were reviewed by an independent financial management/consulting firm to determine appropriateness of rates submitted.

Requirements 3 of 3

- Authorized reimbursable disability categories under RTRPs:
 - Emotional Disabilities
 - Autism
 - Multiple Disabilities
 - Hearing Impaired
 - Deaf/Blindness
 - Traumatic Brain Injury

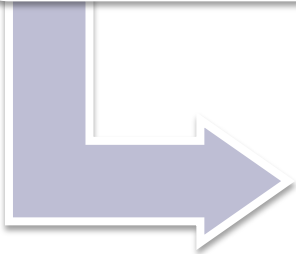
SOQ Funding & RTRPs

- Students claimed in RTRPs receive reimbursement funds in lieu of the Standards of Quality (SOQ)
- Funding for the SOQ is provided through the following accounts, mostly on a per pupil basis: ADM
 - Basic Aid (incl. health care)
 - Special Education
 - Career and Technical Education
 - Prevention, Intervention, and Remediation
 - Gifted Education
 - English as a Second Language
 - Fringe Benefits for funded instructional positions (VRS, Soc. Sec., Group Life)
 - Sales Tax (1.125 percent for public education)
 - Textbooks

Actions to Date

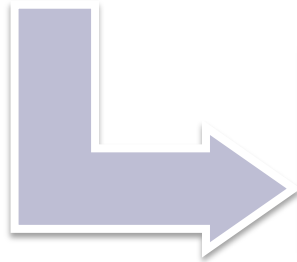
2015

- Initial study of 11 RTRPs



2016

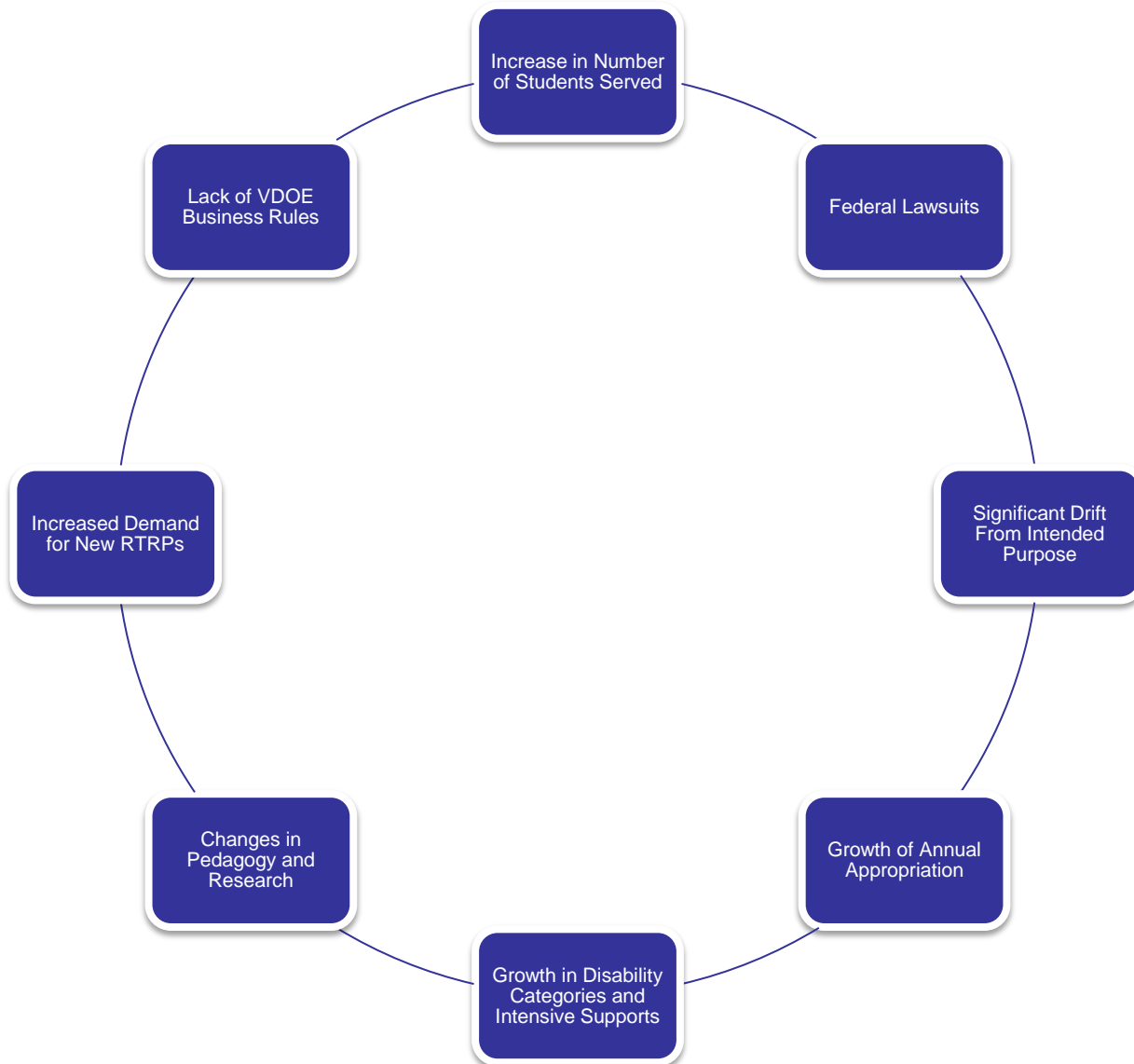
- Options for reform
– Equity Model



2017

- Reform of Current Model and Details for Transition

Issues Identified During Study



Disparity in Current Model

The VDOE has identified additional issues with current recipients of funds:

- There is a disparity of distribution of funds across current recipients:
 - 1 division received 30 percent of the \$84 million;
 - 5 of 59 recipients receive 55 percent of the total;
 - 15 of 59 recipients receive 76 percent of the total;

Disparity in Current Model continued...

- Wide variability in the 59 current recipients by the percentage of SWD on Special Education Child Count claimed under RTRP
 - Statewide average is 6 percent
 - Range is from <1 percent to 20 percent
- Range is skewed by Northern Virginia Regional Program
 - Prince William: 18 percent
 - Manassas Park: 20 percent
 - Manassas City: 12 percent
 - Spotsylvania: 2 percent
 - Statewide average would be 4 percent without NOVA

Disparity

The following are the four most common categories for use of funds by current recipients, as reported on the Annual School Report (ASR):

- **Instruction:**
 - State RTRP average: 86 percent
 - Range of 70 percent to 97 percent
- **Administration/Attendance/Health Services:**
 - State RTRP average: 11 percent
 - Range of 1 percent to 23 percent
 - For comparison – VDOE is restricted to using 2 percent with IDEA
- **Operation and Maintenance Services:**
 - State RTRP average: 2 percent
 - Range of <1 percent to 14 percent
- **Technology:**
 - State RTRP average: 1 percent
 - with a range of <1 percent to 3 percent

**These expenditures are not consistently reported across all 11 Programs*

Note:

8 of the 11 Regional Programs either start the fiscal year or end the fiscal year with a Fund Balance

Additional Issues

- The VDOE has further identified additional issues with increasing number of claims submitted and increased dollar amounts for those claims
 - The increase in First Semester 2016 claims exceeded the Appropriation
 - Increased claims were generated by 38 current recipients for a total of \$1.4 million overage
 - Two recipients accounted for 70 percent of the total increase
 - The VDOE was faced with the possibility of prorating all claims submitted
 - Department of Planning and Budget was able to fund the gap
 - Highlights the need for stronger policies and procedures

SHORT-TERM PRIORITY: CHANGES TO EXISTING SYSTEM

Changes to Existing Model

- Short-term (3 years): The VDOE will focus on needed policy and procedural changes
 - Eligibility Checklist (Intensity Support Needs)
 - The VDOE developed policies and procedures
 - Reimbursement Process
 - Budget Application/Justification
 - Application Procedures (28 new requests)
 - Data Procedures
 - Code/regulatory adjustments

Transition Process

1. Shift from a Regional Program Model to providing funds for students with intensive support needs
2. Potentially, all 132 school divisions could be eligible in the future
3. Eligibility for funds
 - Based on a Intensive Support Needs Criteria
 - Remove disability category requirements
 - Cap the eligibility at five percent of each divisions special education population
4. Eliminate the rate package requirements
 - Traditional budget application and review
 - Restrict the allowable use of funds
5. Eliminate regional board requirements
6. Change reimbursement cycle
7. *Code of Virginia* or regulatory changes
8. Add back in ADM – or supplement with other state funding: Long-Term (2021)

Changes to Existing Model

- Authority:
 - (8VAC20-81-250c) State Special Education Regulations
 - Subject to availability, reimbursement may be made available for a portion of the costs associated with placement of children with disabilities in public regional special education programs pursuant to polices and procedures established by the Superintendent of Public Instruction or designee
 - Such reimbursement shall be in lieu of other state education funding available for each child

Changes to Existing Model continued...

Proposed Timeframe for Short-Term Changes:

- **2017-2018:**
 - Pilot use of new Application/Budget
 - Pilot use of new eligibility criteria
 - Implement new policies and procedures for distribution and use of funds
 - Begin transition discussion about funding and develop individualized division financial transition plans
- **2018-2019:**
 - Full implementation, new Application/Budget, and new Policies and Procedures
 - Implement individualized division financial transition plans
 - Phase in new divisions
- **2019-2020:**
 - Implement individualized division financial transition plans
 - Phase in new divisions
- **2020-2021:**
 - Finalize individualized division financial transition plans
 - Propose new Equity Model

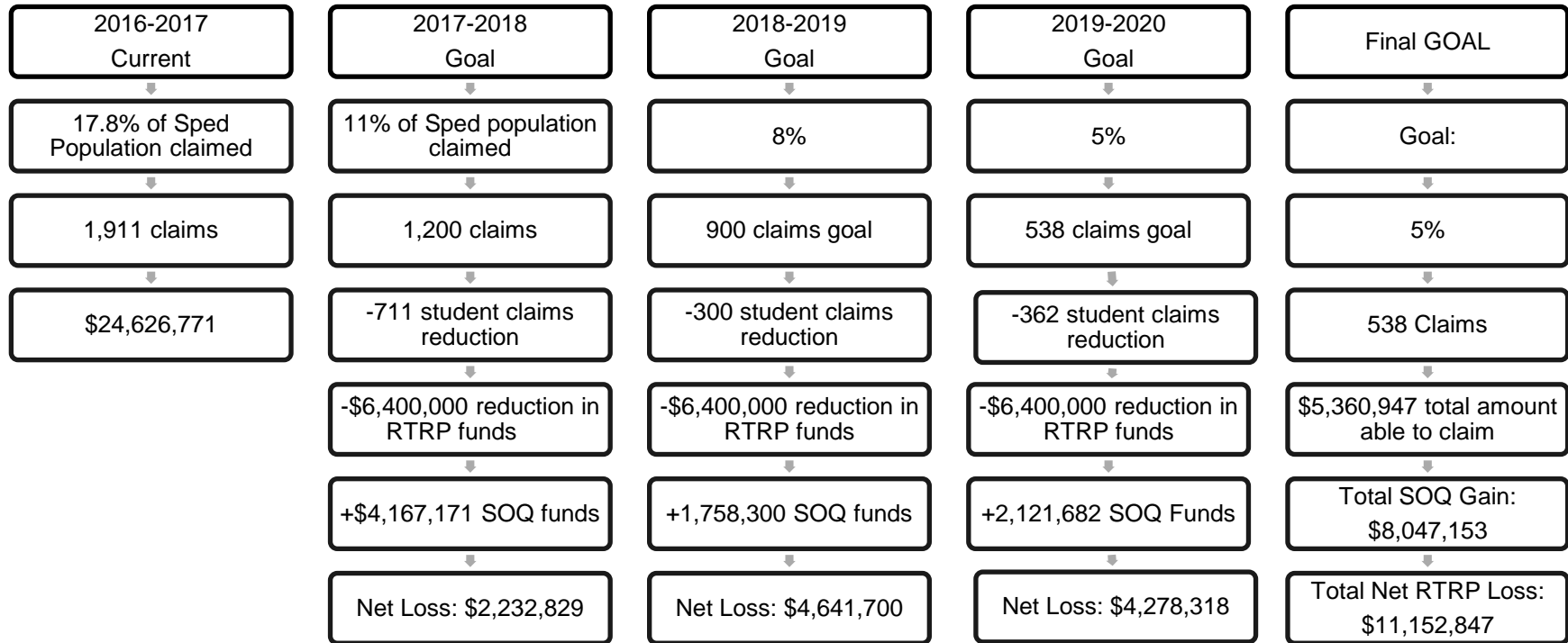
Application/Budget Process

- New Application with Criteria/Checklist will be a shorter, more streamlined document with specific information on:
 - Programs/Services to be provided are aligned to costs;
 - Number of students and disability type;
 - Staffing needs;
 - Location of services provided;
 - Partnership/Collaboration;
 - Costs related to the above;
 - Audit Controls; and
 - Assurance the funds received will be used for services to students who meet the criteria developed by VDOE

New School Divisions

- The VDOE has received 28 requests from new LEAs to be considered eligible to receive funds
- Two new Regional Programs have been approved by VDOE (Northern Neck and Richmond area Region One Consortium)
 - 18 Divisions
- The VDOE will work with these two programs and existing programs to include them in receipt of funds for the 2017-2018 school year

Transition Draft Example



- Students exiting the RTRP funding system will go back into the general state SOQ/ADM funding system.

Intensity Support Needs Checklist

- See handout
- Developed in collaboration with staff from the Virginia Commonwealth University and VDOE subject matter experts
 - Autism Center of Excellence
 - Center for Transition Innovations
- Presented to stakeholder groups for feedback and revisions
 - Current RTRP recipients and non-recipients

Transition Funding Model Details

Using this Formula would likely result in the following:

- The VDOE will develop a “Transition Plan” for ALL divisions as part of any change
- This Transition Plan will be part of a division’s future Application/Budget request for funds
- The Plan accounts for a division’s Maintenance of Effort requirement

Commission on Youth Action

- Approve the following:
 - The VDOE should finalize and implement the new Policies and Procedures to address the disparity in existing funding;
 - The VDOE should implement the new Application/Budget for 2018-2019;
 - The VDOE should implement the new Intensive Support Needs Eligibility Criteria; and
 - The VDOE should begin working with current RTRP recipients to implement Transition Plans.

Proposed Regulatory Changes

- The VDOE would need sponsored legislation for the modification of the following:

State Special Education Regulations 8VAC20-81-30:

Regional special education programs. (§ 22.1-218 of the Code of Virginia; Jointly Owned and Operated Schools and Jointly Operated Programs (8VAC20-280))

1. If it becomes necessary for local school divisions to develop regional programs to serve children with disabilities residing within their jurisdiction, such regional programs shall be provided in accordance with the least restrictive environment requirements specified in 8VAC20-81-130.
2. If local school divisions elect to participate in an approved regional program for the provision of special education and related services for certain children with disabilities, a joint board shall be established to manage and control the jointly owned or operated program, center, or school. Establishment of the joint board and administration of the jointly owned and operated program shall be conducted in accordance with the Virginia Board of Education regulations governing such programs.
3. Each joint board shall appoint a qualified director who shall be the administrative head of the regional program.

Proposed Regulatory Changes

- The VDOE would need sponsored legislation for the modification of the following:

State Special Education Regulations 8VAC20-81-240. Eligibility for Funding:

C. Children with disabilities enrolled in regional special education programs:

(Virginia Appropriation Act; 22.1-218 of the Code of Virginia)

1. Subject to availability, reimbursement may be made available for a portion of the costs associated with placement of children with disabilities in public regional special education programs pursuant to policies and procedures established by the Superintendent of Public Instruction or designee.

Long-Term Reforms

- Allow for a three year cycle to reform current system
 - Report back to COY
 - What worked
 - What did not work
 - Potential additional funding needs
 - Potential *Code* or regulatory changes needed
 - Shifts in populations/needs